

LOSS PREVENTION

SPOTLIGHT

Spring 2002

FOCUSING ON LOSS PREVENTION INFORMATION FOR STATE AGENCIES

Executive order supports loss prevention

Governor Gary Locke recently issued Executive Order 01-05 that recognizes the importance of state agencies doing everything possible to reduce harm to vulnerable individuals and other citizens in our state, whether caused by criminals under state supervision, contractors, licensees, or any other factors related to a state service program.

In recent years, judgments and claims against the state have reached unprecedented levels as the state is held liable for injuries and losses — some of which may have been avoidable — and all stemming from findings that the state, and often, others with whom the state is jointly and severally liable, were negligent.

The Executive Order requires state agencies to prioritize their loss-prevention efforts by developing and meeting focused risk management goals and efforts in partnership with the State's Risk Management Office. This document, a planning matrix and a question-and-answer tool can be accessed at: www.ga.wa.gov/risk/risk.htm

Risk Management office offers assistance

The State Risk Management Office can help state agencies develop risk management action goals and strategies for measurable results.

Contacting **Jolene Bellows** at (360) 902-7312 can start your agency on the path to implementing the order.

For help, go to: www.ga.wa.gov/risk/risk.htm

FAST FACTS:

In FY 1997-01, the top three causes for tort liability claims (by severity) that resulted in payments:

- Rear-ended - 459 claims, \$3.1 million
- Sideswiped - 292 claims, \$2 million
- Vehicle overturned -- 14 claims, \$1.8 million



Washington State Department of
General Administration

Did you know?

Tort Liability - A private or civil wrong or injury (other than a breach of contract) for which the court will find a remedy in the form of an action for damages. Tort cause of action may involve a number of elements: existence of legal duty from defendant to the plaintiff; a breach of this duty caused by the negligence of the defendant; and the sustaining of an injury or damage by the plaintiff.

**Commercial Insurance
UPDATE****Insurance Commissioner
issues earthquake
certification criteria**

In response to the February 2001 Nisqually earthquake, Insurance Commissioner Mike Kreidler defined the insurance requirements necessary to obtain FEMA funds. Requests would be considered unreasonable if:

- The total cost of the project is less than 2% of the replacement cost of the building, subject to a minimum of \$250,000.
- The total project cost is less than 10% of the replacement value of the building or buildings in the project.
- The total replacement cost of any one building is 15% or more of the earthquake limit (\$30 million) or the total of all buildings within 200 feet of each other total 25% or more (\$50 million) of the jurisdiction or applicant's earthquake policy limit.
- The total insurance

See "Update" on the back



Risk notes focus on vehicle accidents

During fiscal years 1994 through 2001, a total of 27,925 tort claims were filed. In that same period, there were 8,600 general liability claims paid for \$187 million.

There were 2,900 auto claims in this period with payouts of \$14.6 million. Vehicle tort losses have the potential to impact all agencies, and for those agencies with large fleets of vehicles and drivers, the loss potential can be greater.

The Risk Management Office is preparing loss-prevention resources to help agencies focus on preventing vehicle accidents and claims. Workshops, risk profiles, web information and more will be provided. Details will be announced later.

Tort claim basics

Tort claims are filed with the state Office of Risk Management. Claims involving court action are defended by the attorney general's office. Tort claims in Washington are broadly classified into two categories:

- **General liability:** bodily injury, employment practices, etc.
- **Auto liability:** these involve state employees driving state vehicles.

Tips available on handling mail threats

In the fall of 2001, three state agencies teamed up to take a proactive approach on a security issue unfolding on the national scene — mail contaminated with anthrax. The Department of General Administration's



Workers at state mail service in Olympia.

Consolidated Mail Services, the Washington State Patrol, the state Department of Health and the U.S. Postal Service conducted four one-hour "Train the Trainer" sessions on identification and securing of suspicious letters and parcels. The sessions also addressed the effects and disposal of biohazardous materials. The fourth session was a live videoconference broadcast throughout the state.

Consolidated Mail Services provided tapes of the videoconference to 27 agency safety officers so that training could be coordinated at the local level. CMS also maintains a small "lending library" for smaller agencies requesting information on mail handling safety. Those with access to the "Inside Washington" Intranet site can find a seven-minute video and numerous bulletins, posters and other information devoted to preventing or minimizing risks associated with suspicious mail. Contact **Greg Lawrence** for more information at (360) 664-9508 or e-mail at glawren@ga.wa.gov. Information on safe mail handling is also available on the State Patrol web site: www.wa.gov/wsp/crime/crimecon.htm

Get timely information sent directly to you

The Risk Management Office will soon begin an electronic loss-prevention note that will be sent to risk managers at all state agencies. The periodic e-mail will offer timely information on various topics including:

- Risk management workshops or training schedules
- News about risk management or loss-prevention resources and where to obtain them
- Did You Know: Questions and answers on commercial insurance topics
- Alerts on product recalls and other high profile emergency or public safety issues
- General information on increasing risk management emphasis and awareness in agencies

Please contact **Jolene Bellows** at Jbellows@ga.wa.gov, or call (360) 902-7312, to get on the electronic list.

Update (cont.)

premium for five years is equal to or greater than the total amount of assistance received from FEMA.

If you have questions about this criteria or other matters relating to FEMA funding for damages to state property, contact **Nancy Heyen**, Office of Risk Management, (360) 902-7301.

The basics of managing risk

Here's what you should keep in mind when considering ways to manage risk for your organization:

- Identification
- Avoidance
- Control
 - Prevention
 - Claims management
- Finance
 - Transfer risk
 - Retain risk

Customer Support

This is your newsletter and we would like to hear from you on what you would like to see in future editions.

Contact us with your ideas and comments at: riskmanagement@ga.wa.gov